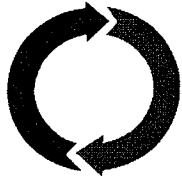


CRRA
REGULAR BOARD MEETING
Oct. 31, 2013



**CONNECTICUT
RESOURCES
RECOVERY
AUTHORITY**

**100 Constitution Plaza • Hartford • Connecticut • 06103 • Telephone (860)757-7700
Fax (860)757-7745**

MEMORANDUM

TO: CRRA Board of Directors
FROM: Moira Kenney, HR Specialist/Board Administrator
DATE: Oct. 25, 2013
RE: Notice of Regular Board Meeting

There will be a Regular Board Meeting of the Connecticut Resources Recovery Authority Board of Directors on Thursday Oct. 31, 2013, at 9:30 a.m. The meeting will be held in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Please notify this office of your attendance at (860) 757-7787 at your earliest convenience.

Connecticut Resources Recovery Authority
Regular Board of Directors Meeting

Agenda
Oct. 31, 2013
9:30 AM

I. Pledge of Allegiance

II. Public Portion

A ½ hour public portion will be held and the Board will accept written testimony and allow individuals to speak for a limit of three minutes. The regular meeting will commence if there is no public input.

III. Minutes

1. Board Action will be sought for Approval of the Special July 18, 2013, Board Meeting Minutes (Attachment 1).
2. Board Action will be sought for Approval of the Regular Sept. 26, 2013, Board Meeting Minutes (Attachment 2).

IV. Policies & Procurement Committee Reports

1. Board Action will be sought for the Resolution Regarding Removal of Sediment from the Coal Pond at CRRA's South Meadows Site (Attachment 3).

V. Finance Committee Reports

1. Board Action will be sought for the Resolution Regarding Reserve Analysis (Attachment 4).
2. Board Action will be sought for the Resolution Regarding Funding and Allocation of Section 7 Audit Cost (Attachment 5).

VI. Chairman and President's Reports

VII. Executive Session

An Executive Session will be held to discuss pending litigation, trade secrets, personnel matters, security matters, pending RFP's, and feasibility estimates and evaluations.

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-SIXTH

JULY 18, 2013

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. July 18, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Joel Freedman
James Hayden
Joe MacDougald
Andrew Nunn (present by telephone)
Scott Shanley
Bob Painter, CSWS Project Ad-Hoc
Mark Tillinger (present by telephone)

Present from CRRA in Hartford:

Tom Kirk, President
Jim Bolduc, Chief Financial Officer
Dave Bodendorf, Senior Environmental Engineer
Jeffery Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Paul Nonnenmacher, Director of Public Affairs
Moira Kenney, HR Specialist/Board Administrator

Others present: Thomas Hennick, Public Education Officer FOIA Commission; Rachael Konowitz, Conn. PIRG; John Pizzimenti, USA Hauling; Jim Sandler, Esq., Sandler & Mara; Cheryl Thibeault, Covanta.

Chairman Stein called the meeting to order at 9:30 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

Rachael Konowitz of the Connecticut Public Interest Research Group (hereinafter referred to as "Conn PIRG" addressed the Board. She said she was present on behalf of Conn PIRG Executive Director Scarr as he was unable to attend.

Ms. Konwitz said Conn PIRG has been working on a zero waste campaign to address waste and recycling in the State of Connecticut. She said Conn PIRG wanted an opportunity for public participation and input during the process of developing a new plan for CRRA. Ms. Konwitz said Conn

PIRG feels it is important that in addition to member communities that the public (specifically here in Hartford) have the opportunity to participate in this process and give input as the plan is developed.

Ms. Konwitz said she was not able to stay for the remainder for the meeting but thanked the Board for their time. Director Freedman asked if she had any research products which could be shared with the Board. Ms. Konwitz said she believes there is a report which was recently published which could be provided to the CRRA Board. Chairman Stein asked that such material be provided to CRRA management and noted that the Board would be pleased to receive any helpful materials.

FOIA PRESENTATION

Public education Officer Thomas Hennick of the State Ethics commission provided a presentation and answered questions on the Board's responsibilities under the State FOIA act. Mr. Hennick reviewed the responsibilities of the Board to insure proper protocol for open meetings, notices, Agendas, Minutes and recordkeeping. Mr. Hennick addressed questions from the Board and management regarding document access, costs of document access and what constitutes a public meeting and a quorum. He confirmed that for the purposes of FOIA, any meeting of Board members where CRRA business is discussed or decisions are considered is subject to all FOIA meeting requirements including public access, record keeping, notices etc. Additionally all public agencies and municipalities subject to FOIA may not charge a fee for access to documents other than those that are provided in hard copy.

Mr. Hennick also provided each Board member and management member with written Freedom of Information Commission guidelines and highlights of Connecticut Freedom of Information act booklets.

APPROVAL OF THE MINUTES OF AMENDED SPECIAL APRIL 8, 2013 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the amended minutes of the special April 8, 2013, Board Meeting. He noted the only change was the addition of Peter Boucher, Esq. to the attendance portion. Director Adams made the motion which was seconded by Director Freedman.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Painter, Director Nunn and Director Shanley voted yes. Director Hayden, Director MacDougald abstained.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden			X
Joe MacDougald			X
Andrew Nunn	X		
Scott Shanley			
Ad-Hocs			
Bob Painter, CSWS	X		
Mark Tillinger, Southwest	X		

APPROVAL OF THE MINUTES OF THE REGULAR JUNE 27, 2013 BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the regular June 27, 2013, Board Meeting. Director Adams made the motion which was seconded by Director Freedman.

The motion previously made and seconded was approved by roll call as amended and corrected. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Painter, Director Nunn, and Director Shanley voted yes. Director Tillinger abstained.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Mark Tillinger, Southwest			X

RESOLUTION REGARDING A REQUEST FOR SERVICES FOR QA/QC ENGINEERING SUPPORT ASSOCIATED WITH THE HARTFORD LANDFILL CLOSURE CONSTRUCTION PROJECT

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Adams and seconded by Vice-Chairman Barlow.

RESOLVED: That the President is hereby authorized to enter into a Request for Services with Fuss & O'Neill, Inc. to perform Construction Quality Assurance (CQA) services associated with the Phase 2 Area Closure and Photovoltaic System Project, substantially as discussed and presented at this meeting.

Director Addams said Fuss & O'Neil, Inc. (hereinafter referred to as "Fuss") is uniquely qualified to do the work on this landfill project. Mr. Bodendorf said Fuss designed this project and were also the designers of the original 45 acre phase of closure as well as the CQA consultant on that job. He said Fuss is part of the CRRA stable of engineers. Mr. Bodendorf said bringing in another contractor at this point would cost tens of thousands of dollars as they would have to be brought up to speed. He said a new contractor would also have less knowledge in assisting CRRA to apply for certification for final closure from the Connecticut Department of Environmental Protection (hereinafter referred to as the "CT DEEP").

Director Shanley asked why the price from Fuss is competitive. Mr. Bodendorf said Fuss was vetted through the three year engineering services RFQ process and part of that review was for hourly rates. He said this is a time and materials job and Fuss's rates were consistent with other consultants.

Chairman Stein asked if this was a new contract or an extension of an existing contract. Mr. Bodendorf said this was a new Request for Services. Mr. Kirk said Fuss is in CRRA's stable and has a contract and these services would take place under the existing contract. Mr. Egan said this is not an extension of an existing contract. He said effective July 1, 2013, CRRA signed contracts with 30 or so engineering firms and Fuss will continue to provide Hartford Landfill related services under the same three year contract. Mr. Egan said this request for services is really a discreet contract under the larger three year agreement.

Chairman Stein asked who came up with the terms of the engineering contract. Mr. Bodendorf replied the terms were based on the construction contractor's schedule. He said a winter shut down period was assumed as was a full time inspector for fifty hours per week and 25 weeks of construction, which includes hours for senior Fuss staff engineers and project managers.

Director Adams noted the current inspector has experience as he also performed other closure projects at the landfill. Mr. Bodendorf said the two caps will need to be welded together and this inspector has knowledge of the physical features which no one else has. He said that will help to make a seamless transition between the two construction projects.

Director Tillinger asked what happens if there is a project overrun. Mr. Bodendorf said generally overrun in a job like this would occur if there is a delay or problem with the construction. He said generally management would not expect an inspector to cover those costs because it is likely out of their control. Mr. Bodendorf said an overrun which increased this price by an additional \$50,000 would require additional Board approval.

Director Painter asked if management would expect the same inspector to handle inspection of the solar cell coverage as the covering materials are different. Mr. Bodendorf replied yes. He said the membrane which is being used to cap this portion of the landfill is the same base material (linear low density polyethylene product) which was used before. He explained the inspector is familiar with the procedure and testing procedures required for this project. Mr. Bodendorf said management worked with

the manufacturer of the material and received their requirements. He said Fuss’s inspector is the most knowledgeable concerning this material due to its relative newness.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Painter, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Mark Tillinger, Southwest			

RESOLUTION REGARDING LANDSCAPING, MOWING, AND SNOWPLOWING SERVICES FOR THE SHELTON LANDFILL

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Adams and seconded by Vice-Chairman Barlow.

RESOLVED: That the President is hereby authorized to execute an agreement with Sebbens Lawn Service to provide landscape, mowing, and snow plowing services at the Shelton Landfill, substantially as presented and discussed at this meeting.

Director Adams said this resolution is somewhat unique because the landscaper (which was originally performing these services and was the low bidder) is going out of business. He said management is recommending going with the next lowest bidder, which also happened to be the only other bidder.

Mr. Bodendorf said this service is for vegetative control at the Shelton landfill. He said the landfill has an active gas collection system and this service is probably the most important environmental control on the site in terms of public health risks. He said thirteen years ago there was a migration incident when the landfill gas system was being managed differently. Mr. Bodendorf said the system was upgraded significantly in response to that incident and the over 100 wells are now monitored on a weekly basis. He said CRRA’s contractors need access to the wells for monitoring purposes.

Mr. Bodendorf said one of the most important aspects of this contract is to maintain access to the gas system. He said there is also a permit requirement for CRRA to perform surface emissions monitoring on an annual basis at the end of August each year. Mr. Bodendorf stated that in order to

perform that monitoring the entire landfill needs to be mowed with a device that keeps the grass six to eight inches high.

Director Adams said the Committee discussed whether the frequency of the landfill mowing could be reduced. He said Mr. Bodendorf indicated management had already made such reduction efforts and the frequency is down to the bare minimum in terms of vegetative cutting and gas well access. Director MacDougald said reducing trimming creates an increase in staff maintenance and is not beneficial.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Shanley and Director Tillinger voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS			
Mark Tillinger, Southwest	X		

FIVE MINUTE BREAK

Chairman Stein said the Board would take a five minute break.

PUBLIC ACT 13-285 REVIEW

After substantial discussion the Board agreed that these agenda items would be discussed further at the Wed. Aug. 21, 2013.

MOTION TO TABLE THE RESOLUTIONS CONCERNING PUBLIC ACT 13-285

Chairman Stein requested a motion to table the resolutions concerning Public Act 13-285. The motion to table was made by Director Shanley and seconded by Director MacDougald.

The motion to table was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Painter, Director Nunn, Director Shanley, and Director Tillinger voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Mark Tillinger, Southwest	X		

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss personnel matters.

The motion, made by Director Shanley and seconded by Vice-Chairman Barlow was approved unanimously. Chairman Stein asked the following people join the Directors in the Executive Session:

Tom Kirk

The Executive Session began at 11:05 a.m. and concluded at 12:30 p.m. Chairman Stein noted that no votes were taken in Executive Session.

The motion previously made and seconded to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Nunn, Director Painter and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest	X		

RESOLUTION REGARDING EMPLOYMENT AGREEMENT FOR CHIEF FINANCIAL OFFICER/STRATEGIC FINANCIAL ADVISOR SERVICES

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Adams and seconded by Director Freedman.

RESOLVED: That the President is hereby authorized to execute the Second Amended Employment Agreement with James Bolduc substantially as presented and discussed at this meeting.

Director Shanley stated for the record that the Board was voting on the document which was distributed at the meeting.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Painter, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Mark Tillinger, Southwest			

RESOLUTION REGARDING APPOINTMENT OF A NEW CHIEF FINANCIAL OFFICER

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by Director Adams and seconded by Director Freedman.

RESOLVED: That the Board hereby approves the appointment by the Chairman of the CFO candidate recommended by the Finance Committee, subject to execution of an employment agreement as set forth below; and

FURTHER RESOLVED: That the President is hereby authorized to execute an employment agreement with the said recommended candidate substantially as presented and discussed at this meeting.

Chairman Stein said this resolution authorizes Mr. Kirk to execute an employment agreement with the recommended candidate by the Finance Committee. He said there is currently no such candidate.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Freedman, Director Hayden, Director MacDougald, Director Painter, Director Nunn, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Andrew Nunn	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Mark Tillinger, Southwest			

PRESIDENT’S REPORT

Mr. Kirk said the supplemental package will be provided for the September Board meeting.

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Director Adams and seconded by Vice-Chairman Barlow and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 12:40 p.m.

Respectfully Submitted



Moira Kenney
HR Specialist/Board Administrator

TAB 2

CONNECTICUT RESOURCES RECOVERY AUTHORITY

FOUR HUNDRED AND FORTY-NINTH

SEPT. 26, 2013

A regular meeting of the Connecticut Resources Recovery Authority Board of Directors was held on Thurs. Sept. 26, 2013, in the Board Room at 100 Constitution Plaza, Hartford, CT 06103.

Directors: Chairman Don Stein
Vice-Chairman Barlow
John Adams
Ralph Eno
Joel Freedman
James Hayden (present beginning 9:45 a.m.)
Joe MacDougald
Scott Shanley
Bob Painter, CSWS Project Ad-Hoc
Steve Edwards, Southwest Project

Present from CRRA in Hartford:

Tom Kirk, President
Mark Daley, Chief Financial Officer
Jim Bolduc, Strategic Financial Advisor
Jeffery Duvall, Director of Budgets and Forecasting
Peter Egan, Director of Environmental Affairs and Operations
Laurie Hunt, Director of Legal Services
Paul Nonnenmacher, Director of Public Affairs
Nhan Vo-Le, Director of Accounting
Marianne Carcio, Executive Assistant
Moira Kenney, HR Specialist/Board Administrator

Others present: Paul Goetz and Jeff Roude, Bollam Sheedy & Torani; Jim Sandler, Esq., Sandler & Mara; Dan Scapelletti, Esq., Halloran & Sage; Ed Spinella, Esq.

Chairman Stein called the meeting to order at 9:30 a.m. and said a quorum was present.

PUBLIC PORTION

Chairman Stein said the agenda allowed for a public portion in which the Board would accept written testimony and allow individuals to speak for a limit of three minutes.

As there were no members of the public which wished to comment Chairman Stein proceeded with the agenda.

APPROVAL OF THE MINUTES OF THE REGULAR AUG. 21, 2013, BOARD MEETING MINUTES

Chairman Stein requested a motion to approve the minutes of the regular Aug. 21, 2013, Board Meeting. Director MacDougald made the motion which was seconded by Director Adams.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Edwards, Director Freedman, Director MacDougald, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Joe MacDougald	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest	X		

RESOLUTION REGARDING MEETING ROOM POLICY

Chairman Stein requested a motion to approve the above referenced item. Director Adams made the motion which was seconded by Director Eno.

RESOLVED: That the Board hereby adopts the revised Policy and Procedures for the Use of Meeting Room at the CRRA Trash Museum substantially as presented and discussed at this meeting.

Mr. Kirk said the Board had directed management to explore possible revenue sources and cost savings. He said one suggested source was to identify modest revenue opportunities from the CRRA’s existing practice of lending CRRA’s meeting areas at 211 Murphy Road, Hartford, CT. Mr. Kirk said the possible revenue which could be made from charging a small fee for use of the meeting room may not be worth the effort but is certainly up for discussion.

After discussion the Board agreed that the lending of meeting room space without charging for its use provides positive outreach for CRRA as well as enhancing CRRA’s image with the environmental communities and therefore they did not support this resolution.

The motion previously made and seconded failed to pass. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, and Director Shanley voted no.

Directors	Aye	Nay	Abstain
Chairman Stein		X	
Vice-Chairman Barlow		X	
John Adams		X	
Ralph Eno		X	
Joel Freedman		X	
James Hayden		X	
Joe MacDougald		X	
Scott Shanley		X	
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Southwest			

RESOLUTION REGARDING CASUALTY PROGRAM RENEWALS

Chairman Stein requested a motion to approve the above referenced item. Director Shanley made the motion which was seconded by Director MacDougald.

RESOLVED: That CRRA’s Commercial General Liability insurance be purchased from ACE American Insurance Company (Rating A+) with a \$1,000,000 limit, \$25,000 deductible, for the period 10/1/13 – 10/1/14 for a premium of \$215,000 as discussed at this meeting; and

FURTHER RESOLVED: That CRRA’s Umbrella Liability insurance be purchased from ACE Property & Casualty Insurance Company (Rating A+) with a \$25 million limit, \$10,000 retention, for the period 10/1/13 – 10/1/14 for a premium of \$157,500 as discussed at this meeting; and

FURTHER RESOLVED: That CRRA’s Pollution Legal Liability insurance be purchased from Illinois Union Insurance Company (ACE) (Rating A+) with a \$20 million limit, \$250,000 retention, for the period 10/1/13 – 10/1/14 for a premium of \$218,820; as discussed at this meeting, and;

FURTHER RESOLVED: That CRRA’s Commercial Automobile Liability insurance be purchased from ACE American Insurance Company (Rating A+) with a \$1 million limit, liability coverage on all and comprehensive and collision on twelve (12) passenger vehicles and light trucks with a \$1,000 deductible, for the period 10/1/13 – 10/1/14 for a premium of \$60,115.

Director Freedman said this resolution is for the annual renewal of the insurance for commercial general liability, umbrella, pollution and auto liability. He said there were four bids received however only two of them, including bids from ACE (the incumbent) and Ironshore fit the current package.

Director Freedman said staying with ACE was recommended by CRRA’s risk broker (AON) and although there is an increase in premium there is a savings in the overall budget projection.

Director Freedman said after a lengthy discussion the Finance Committee recommended staying with the incumbent, ACE. Mr. Kirk said that Aon gave a very through presentation and this matter was thoroughly vetted at the Committee level. Director Freedman said the Committee has also requested in this future that this matter be brought for approval earlier in the year to allow for the possibility of more substantial commentary and suggestions.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Hayden, Director Freedman, Director MacDougald, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
James Hayden	X		
Joel Freedman	X		
Joe MacDougald	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Southwest			

RESOLUTION REGARDING DISBURSEMENT OF AUTHORITY FUNDS

Chairman Stein requested a motion to approve the above referenced item. Director MacDougald made the motion which was seconded by Director Hayden.

RESOLVED: That the funds of the Authority deposited or invested in any financial institution (except Trustee-held funds) be subject to withdrawal at any time through checks, notes, drafts, bills of exchange, acceptance, or other instruments for the payment of money when made, signed, accepted or endorsed on behalf of the Authority, by two of the following: Tom Kirk, Mark Daley, and Jeffrey Duvall.

FURTHER RESOLVED: That any funds that are transferred using the methods of Automatic Clearing House (ACH), wire transfer, or electronic banking shall be endorsed on behalf of the Authority, by two of the following: Tom Kirk, Mark Daley, Jeffrey Duvall, Tina Mateo, Barbara Dillon, and Lynn Martin provided however that Tom Kirk, Mark Daley, Jeffrey Duvall, or Lynn Martin must at least be one of the two signers.

FURTHER RESOLVED: That funds of the Authority held by the Trustee be subject to withdrawal at any time upon written requisitions or instructions for the payment of money, when

made, signed, accepted or endorsed on behalf of the Authority by any one of the individuals authorized above.

Mr. Daley said this resolution was designed to provide him with signatory responsibilities at CRRA as CFO and is made up of three parts. He said the first resolve deals with payment of checks, the second with wire transfers, and the third with instructions to the trustees. Mr. Daley said CRRA's financial institutions require a copy of this resolution to authorize his signature.

Director Shanley said this item was discussed in detail at the Finance Committee meeting. He said with the exception of the ACH transactions the CFO or CEO of CRRA is accountable for all other signatory responsibilities. Director Shanley said the ACH transaction allows for two other staff members to authorize the transaction.

Mr. Daley said that was correct. He said this was done in order to provide back-up in the absence of himself or Mr. Kirk and noted there is some flexibility required for payroll funding activities and certain electronic transfers made to contractors. He said this is not the typical case however. Mr. Daley said in addition to this resolution there are financial policies and procedures in place which further define how these transactions occur. He said instructions to the trustee are signed off on by both CRRA and Covanta as a result of an earlier agreement. Mr. Daley said this was a very limited situation.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Scott Shanley			
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Bridgeport			

RESOLUTION REGARDING 2013 YEAR END AUDIT

Chairman Stein requested a motion to approve the above referenced item. Director Freedman made the motion which was seconded by Director Shanley.

RESOLVED: That the Board hereby accepts the Annual Financial Report for the Fiscal Year Ended June 30, 2013, substantially as discussed and presented at this meeting.

Director Freedman said the Finance Committee had several long discussions with CRRA's auditors at its meeting. He said the recommendation before the Board is to accept the 2013 year end audit.

Mr. Daley said FY'13 is a transition year for CRRA which is reflected in many ways within the audit. He said the closure of the Mid-Conn Project and startup of the CSWS Project is a change to the CRRA business model. He said 40% of the year was under the Mid-Conn Project model and 60% of the year is under CSWS. Mr. Daley said as far as performance goes FY'13 is better than FY'12 in terms of income before depreciation. He said as far as operating revenues are concerned there was \$120 million in total operating revenues, which is a decline of roughly \$12 million or 9% overall.

Mr. Daley said the operating expenditure side declined at a better pace with \$115 million in terms of operating expenses, which is a \$13 million decline, or about 10% overall. Mr. Daley said the variability of the expenditures at the plant and the changes which CRRA put into place really offset the revenue decline.

Mr. Daley said income before depreciation was \$4.8 million or a little over half a million better than the year prior or 14% better. He said net assets, now called net position due to a change in the accounting terminology, is a negative \$11 million. Mr. Daley said this is income after depreciation, amortization, and other non-operating expenses. He said that is roughly 7% better than the prior year. He said total assets are \$239 million, a \$13.6 million decline.

Mr. Daley said liabilities are at \$74 million, roughly a 3% decline from the past year. He said the net assets (or net position) for the organization as a whole is at \$165 million, a 6% decline from the prior year. He said the management discussion and analysis within the audit add detail to his comments and added that the notes to the financial statements are fairly comprehensive and are mostly normal notes with a few exceptions in terms of the impending legislation.

Director Shanley asked if he was correct in stating the net assets assumes that the plant is worth \$111 million. Mr. Daley said the figure does not reflect market value and is based on historical costs as depreciated.

Mr. Goetz said he and Mr. Roude had reviewed the audit with the Finance Committee as well as the status of the audit. He said there were a couple of open matters with respect to the audit, one of which has since been cleared. Mr. Goetz said there are currently two open matters. He said the financial statements are reviewed by a third partner to make sure that the statements are in accordance with generally accepted accounting procedures.

Mr. Goetz said there were some comments which came out of that review which the auditors need to review with Mr. Daley and Ms. Vo-Le. He said the second thing that needs to happen for the statements to be final is the receipt of a representation letter from CRRA management. Mr. Goetz said as management compiles the financial statements they are also responsible for representing to the auditors that the statements are truthful and all of the information is correct. He said that management letter was circulated to CRRA on Tuesday and is being reviewed by the appropriate parties. Mr. Goetz said until the management letter is received it is not appropriate to sign the audit and there are possible changes. Mr. Roude said all the comments and that report are due tomorrow morning.

Director Freedman asked for an explanation as to what changes may take place without that management letter. Mr. Goetz said auditing standards require that management represents to their auditors certain items within the financial statements. He said when management refuses to sign a representation letter that indicates a restricted scope of audit which means that the auditors cannot give an opinion on the financial statements. Mr. Goetz said it has never happened to him during his 25 year career but if the letter is not received the report would indicate that information and a clean report cannot be provided by the auditor.

Director MacDougald asked if there was anything in the non-cash charges which was substantially different this year versus the prior year. Mr. Goetz said there is one other non-cash charge that runs through here and that is the provision for the landfills. He said there is an estimated liability which was set up to close the landfills.

Director Freedman said he intends to have a brief Executive session to address matters which were discussed with the auditors.

Director Shanley noted that pg. 32 of the audit looks at unrestricted net assets. He said the lay person may believe unrestricted net assets are cash, which is not the case. He said although the value of the plant is noted at \$111 million that can be misleading and there are designations this Board has put on some net assets which although unrestricted are not undesignated. Director Shanley said this audit does not comment on the ownership of the Mid-Conn project and does not address whether the member towns have claims to those assets. He said these points change the view of the net assets substantially.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Eno, Director Freedman, Director Hayden, Director MacDougald, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Scott Shanley			
Ad-Hocs			
Bob Painter, CSWS			
Steve Edwards, Bridgeport			

PRESIDENT’S REPORT

Mr. Kirk said all CRRRA facilities operated without environmental safety or health impacts throughout the reporting period. He referred the Board to the supplemental package, specifically the

source and use of funds which shows two months of data through September of the fiscal year. Mr. Kirk said August actuals indicate a cash balance of the CSWS of about \$6.4 million.

Mr. Kirk said the financial and variance reports are provided through the end of the fiscal year and unaudited FY'13. He said the Mid-Conn Project ended with a \$4.3 million surplus and shortfalls of about 11,000 tons of garbage and about 19 gigawatts of power. Mr. Kirk said the end of the project financial audit is complete with favorable administrative spending, favorable variances and operations, debt, and waste transport.

Mr. Kirk said very early results for the fiscal year from the CSWS Project indicate reduced deliveries and electric production due to unplanned outages associated with pressure part repairs and lower than budgeted power prices. He said maintenance costs are also higher due to pressure part repair expenses and the revenue is unfavorable due to the lower volume of deliveries from towns and also from spot waste delivery which has been turned off in order to not overwhelm the plant with reduced availability. Mr. Kirk said the total CSWS deliveries are unfavorable as well as the town deliveries. He said management continues to see historically low volumes of trash state wide.

Mr. Kirk said for SCRRA there is a modest favorable budget performance and continued unfavorable ash costs. He said however there is a correction at the end of the fiscal year where CRRA receives money back from its operator to adjust for the ash tons which are associated with their tonnage which should result in correction by the end of the year.

Mr. Kirk said under recycling the Southeast project, recycling, Stratford deliveries and operations and finance are all on track and budget as the Project winds up. He said the use of the prior year surpluses has allowed for a quarter million surplus as of June 30, 2013.

Mr. Kirk said the Authority budget has about a \$140,000 surplus year to date and remains on track for good budget performance. He said the property division is about \$1.2 million favorable year to date and a small amount of that \$1.2 million is timing related.

Mr. Kirk referred the Board to the supplemental package for legal summaries, capital reserve schedules and reserve payment tracking. He noted that operations and tonnage deliveries are also contained in the supplemental package.

A discussion concerning the timetable and milestones concerning Public Act 13-285 was undertaken.

MOTION TO ADD AN ITEM TO THE AGENDA

Chairman Stein requested a motion to add an item to the agenda concerning recognition of the Certificate of Excellence in Financial Reporting received by the Connecticut Resources Recovery Authority.

The motion to add an item to the agenda was made by Vice-Chairman Barlow and seconded by Director Adams.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Scott Shanley			
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Bridgeport	X		

RESOLUTION RECOGNIZING THE CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING RECEIVED BY THE CONNECTICUT RESOURCES RECOVERY AUTHORITY

Chairman Stein requested a motion on the above referenced item. The motion to approve was made by John Adams and seconded by Director Eno.

WHEREAS clear, concise and complete financial information is essential to anyone interested in an organization’s performance and

WHEREAS the Government Finance Officers Association (GFOA) recognizes organizations that meet GFOA’s high standards and demonstrate “a Constructive ‘spirit of full disclosure’ to clearly communicate its financial story” and

WHEREAS the Connecticut Resources Recovery Authority has received GFOA’s Certificate of Achievement for thee Excellence in Financial Reporting now hereby be it

RESOLVED that the CRRA Board of Directors congratulates its Finance & Accounting Divisions on the GFOA award and recommends all interested stakeholders read CRRA’s Consolidated Annual Financial Report.

The motion previously made and seconded was approved by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Eno, Director Freedman, Director Hayden, Director MacDougald, Director Painter, and Director Shanley voted yes.

Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Ralph Eno	X		
Joel Freedman	X		
Jim Hayden	X		
Joe MacDougald	X		
Scott Shanley			
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Bridgeport	X		

EXECUTIVE SESSION

Chairman Stein requested a motion to enter into Executive Session to discuss personnel matters.

The motion, made by Director Freedman and seconded by Vice-Chairman Barlow was approved unanimously. Chairman Stein asked the following people join the Directors in the first Executive Session, which would focus on personnel matters:

Tom Kirk
Mark Daley
Jeff Roude, BST
Paul Goetz, BST

The Executive Session began at 11:30 a.m. At 12:14 p.m. Chairman Stein asked the following people to join the Directors in the Executive Session, for a discussion on pending litigation:

Tom Kirk
Mark Daley
Peter Egan
Laurie Hunt
Dan Scapelletti, Esq

The Executive Session ended at 2:00 p.m. No votes were taken.

The motion previously made and seconded to go into Executive Session was approved unanimously by roll call. Chairman Stein, Vice-Chairman Barlow, Director Adams, Director Edwards, Director Freedman, Director Hayden, Director MacDougald, Director Painter and Director Shanley voted yes.

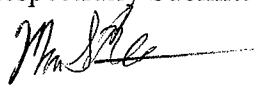
Directors	Aye	Nay	Abstain
Chairman Stein	X		
Vice-Chairman Barlow	X		
John Adams	X		
Joel Freedman	X		
James Hayden	X		
Joe MacDougald	X		
Scott Shanley	X		
Ad-Hocs			
Bob Painter, CSWS	X		
Steve Edwards, Southwest	X		

ADJOURNMENT

Chairman Stein requested a motion to adjourn the meeting. The motion to adjourn was made by Vice-Chairman Barlow and seconded by Director Shanley and was approved unanimously.

There being no other business to discuss, the meeting adjourned at 2:03 p.m.

Respectfully Submitted



Moira Kenney
HR Specialist/Board Administrator

TAB 3

**RESOLUTION REGARDING REMOVAL OF SEDIMENT FROM
THE COAL POND AT CRRA'S SOUTH MEADOWS SITE**

WHEREAS: CRRA intends to issue a purchase order to NAES Corporation to remove accumulated sediment from the coal pond at CRRA's South Meadows site; and

WHEREAS: Funds necessary to pay expenses associated with the removal of accumulated sediment from the coal pond at the CRRA South Meadows site have been accrued in the Mid-Connecticut Operating Account; be it

RESOLVED: that payment of this expense shall be funded from the Mid-Connecticut Operating Account, substantially as presented and discussed at this meeting.

Connecticut Resources Recovery Authority

Contract Summary for Contract entitled

Coal Pond Sediment Removal South Meadows Site

Presented to the CRRA Board on: October 31, 2013

Vendor/ Contractor(s): NAES Corporation

Effective date: Upon Issuance of Purchase Order

Contract Type/Subject matter: Existing O&M Contract with NAES Corporataion

Facility (ies) Affected: Connecticut Solid Waste System – South Meadows Site

Original Contract: Operation and Maintenance of the Mid-Connecticut Resource Recovery Facility Agreement between CRRA and NAES Corporation

Term: Upon completion of services, currently estimated to be April 30, 2014

Purchase Order Amount: \$344,200.00

Amendment(s): Not applicable

Term Extensions: Not applicable

Scope of Services: NAES will contract Clean Harbors Environmental Services to remove accumulated sediment from the “coal pond” at the South Meadow Site, dewater the sediment, and transfer the dewatered sediment for proper off-site transportation and disposal.

Other Pertinent Provisions: \$365,000 was accrued in the Mid-Connecticut Operating Account for this activity. CRRA will issue a purchase order to NAES for \$344,200.00 so that NAES can contract with Clean Harbors Environmental Services to perform the activity. In the event that additional funds are necessary to complete the work (e.g., unforeseen, out-of-scope activities), CRRA may use up to \$365,000 from the Mid-Connecticut Operating Account for this purpose.

Connecticut Resources Recovery Authority
South Meadows Site
Coal Pond Sediment Removal

October 31, 2013

Executive Summary

This is to request that the CRRA Board of Directors authorize the use of funds contained in the Mid-Connecticut Operating Account to fund expenses associated with removal of accumulated sediment from the “coal pond” at the South Meadows site. Funds for this activity were accrued specifically for this purpose and are contained in the account. NAES Corporation (“NAES”) will contract with a properly qualified company to perform the work. CRRA will issue a purchase order to NAES to fund the activity.

Discussion

The coal storage area at the South Meadows Site is a lined structure which was constructed to store coal piles and properly manage the stormwater run-off from those piles. The base liner of the storage area is sloped from east to west, which directs the stormwater run-off to the lined, open water area commonly referred to as the “coal pond.” In addition to receiving run-off from the coal piles, the “coal pond” also receives facility roof drainage, drainage from the ash load-out building, and stormwater run-off from around the Power Block Facility.

There are no water discharges from the “coal pond.” Instead, accumulated water is pumped from the “coal pond” for re-use in the facility’s air pollution control system; specifically, the water is used to slake lime, which is then utilized in the facility’s scrubbers for acid gas neutralization.

Due to its large volume, the water within the “coal pond” tends to be quiescent, which allows solid particles, primarily small particles of ash conveyed with the ash load-out area drainage, to settle out of the water and accumulate at the bottom of the coal pond. In order to ensure a sufficient water storage volume, accumulated sediments need to periodically be removed from the “coal pond,” dewatered, and then transported off-site for proper disposal. This maintenance item is not regularly-scheduled, but is undertaken when necessary to restore the storage volume of the “coal pond.” The last time that sediment was removed from the “coal pond” was in 2004.

At the current time, there is approximately 2,900 cubic yards of accumulated sediment in the “coal pond” that needs to be removed in order to restore the water storage capacity. The general scope of work associated with clean-out of the “coal pond” includes establishment of a lay-down/dewatering area within the larger coal storage area, removal and transfer of the sediment from the “coal pond” to the dewatering area, and transfer of the dewatered sediment to the ash load-out building for proper disposal by CRRA.

NAES has obtained three price quotes to complete this scope of work. The range of the price quotes is \$344,200 to \$443,093, with the lowest price being submitted by Clean Harbors Environmental Services. The summary of the three quotes is as follows:

Bidder	Quoted Price
Clean Harbors Environmental Services, Inc.	\$344,200
True Blue Environmental Services Inc.	\$430,000
North American Services Group	\$443,093

Clean Harbors’ proposal indicated a good understanding of the scope of work; both NAES operations personnel and CRRA staff are satisfied that Clean Harbors’ quoted price qualifies as the lowest responsive bid for this project.

Note that NAES will contract directly with Clean Harbors. CRRA will fund the activity by issuance of a purchase order to NAES. CRRA will not contract directly with Clean Harbors. This is typical for such a maintenance activity, and is appropriate for this project because clean-out of the “coal pond” is considered a facility maintenance requirement, and CRRA’s contract with NAES is for operation and maintenance services. Moreover, there will need to be a considerable amount of coordination between Clean Harbors and NAES when the dewatered sediment is ready for transfer from the coal storage area to the ash load-out building, and it is therefore appropriate and necessary for NAES to have the direct contractual relationship with the vendor.

Financial Summary

Funds for this expenditure will come from the Mid-Connecticut Operating Account. This expenditure was contemplated in Fiscal Year 2013, and the funds necessary to pay for this expense were accrued for this purpose at that time.

The use of funds from the Mid-Connecticut Operating Account is appropriate because substantially all of the sediment that has accumulated in the “coal pond” occurred prior to the end of the Mid-Connecticut Project.

TAB 4

Connecticut Resources Recovery Authority Restricted Reserve Analysis

October 31, 2013

Page	Account	Title	Project	Liability/ Restriction	Amount 06/30/12	Amount 06/30/13	Difference	Comment
Governed by CSWS Division MSAs								
4	49-10221	Risk Fund	CSWS	Board Policy	\$0	\$0	-	Maintain Recommendation ¹
5	49-10267	Legal Reserve	CSWS	Board Policy	\$0	\$0	-	Maintain Recommendation ¹
6	49-10270	Severance Reserve	CSWS	Contract/ Board Policy	\$0	\$0	-	Maintain Recommendation ¹
7	49-12112	Customer Guarantee of Payment	CSWS	Contracts	\$ 156,325	\$ 357,632	\$201,307	Maintain Recommendation ¹
8	49-13211	Town of Ellington Transfer Station Trust	CSWS	Town Permit	\$ 48,000	\$ 48,000	-	Maintain Recommendation ¹
		Sub-Total			\$204,325	\$405,632	\$201,307	
Landfill Division								
9	51-13201	Ellington Landfill Trust	Landfill Division	DEEP	\$ 490,822	\$ 491,133	\$311	Maintain Recommendation ¹
10	51-10305	Ellington Landfill Post Closure	Landfill Division	Landfill Liabilities ²	\$ 3,586,446	\$ 3,467,051	(\$119,395)	Maintain Recommendation ¹
11	51-10304	Hartford Landfill Post Closure	Landfill Division	Landfill Liabilities ²	\$ 16,587,815	\$ 11,512,350	(\$5,075,465)	Maintain Recommendation ¹
12	51-10301	Shelton Landfill Post Closure	Landfill Division	Landfill Liabilities ²	\$5,646,121	\$5,142,677	(\$503,444)	Maintain Recommendation ¹
13	51-13204	DEP Trust-Shelton Landfill	Landfill Division	DEEP ²	\$5,678,024	\$5,683,140	\$5,116	Maintain Recommendation ¹
14	51-12206	Shelton Landfill Future Use	Landfill Division	DEEP	\$699,518	\$700,690	\$1,172	Maintain Recommendation ¹
15	51-13203	Wallingford Landfill Trust	Landfill Division	DEEP	\$153,472	\$153,569	\$97	Maintain Recommendation ¹
16	51-10306	Wallingford Post Closure	Landfill Division	Landfill Liabilities ²	\$5,495,304	\$5,265,477	(\$229,827)	Maintain Recommendation ¹
17	51-13205	DEP Trust-Wallingford Landfill	Landfill Division	DEEP ²	\$1,681,001	\$1,682,145	\$1,144	Maintain Recommendation ¹
18	51-10307	Waterbury Post Closure	Landfill Division	Landfill Liabilities ²	\$1,216,781	\$1,161,281	(\$55,500)	Maintain Recommendation ¹
19	51-13202	Waterbury Landfill Trust	Landfill Division	DEEP	\$174,497	\$174,607	\$110	Maintain Recommendation ¹
		Sub-Total			\$41,409,801	\$35,434,120	(\$5,975,681)	

¹Maintain recommendation refers to management's October 24, 2013 Finance Committee recommendations as presented in the Reserve Analysis section. No change from previous report.

²GASB 18 liability estimates.

Connecticut Resources Recovery Authority Restricted Reserve Analysis October 31, 2013

Page	Account	Title	Project	Liability/ Restriction	Amount 06/30/12	Amount 06/30/13	Difference	Comment
Governed by Mid Connecticut Project MSAs								
20	41-12203	Recycling Education	Mid Conn	City of Hartford Contract	\$ 395,876	\$ 143,403	(\$252,473)	Maintain Recommendation ¹ Spending is at the discretion of The City of Hartford
21	41-10303	Hartford Landfill Closure	Mid Conn	Closure Liabilities	\$ 8,714,650	\$ 12,601,926	\$3,887,276	Maintain Recommendation ¹ Closure Activities in Progress
22	41-10221	Risk Fund	Mid Conn	Outstanding Liabilities	\$ 11,346,616	\$ 11,325,174	(\$21,442)	Maintain Recommendation ¹
23	41-10228	South Meadows Site Remediation	Mid Conn	Jets Acquisition	\$ 88,093	\$ 24,259	(\$63,834)	Maintain Recommendation ¹
24	41-10308	Landfill Development Fund	Mid Conn	Outstanding Liabilities	\$ 296,274	\$ 296,274	-	Maintain Recommendation ¹
25	41-10264	Mid-Conn Litigation Reserve	Mid Conn	Legal Expense Liabilities	\$ 2,402,063	\$ 3,309,883	\$907,820	Maintain Recommendation ¹
26	41-10260	Mid-Conn Project Closure	Mid Conn	Outstanding Liabilities	\$ 750,000	\$ 1,521,941	\$771,941	Maintain Recommendation ¹
27	41-10265	Mid-Conn Transition Funds	Mid Conn	Satisfied	\$ 2,403,389	\$ 1,766,946	(\$636,443)	Transfer Balance to Mid-Conn Project Closure
		Sub-Total			\$ 26,396,961	\$ 30,989,806	\$4,592,845	
Property Division								
28	35-10115	Trash Museum	Property Division	Approved FY14 Budget	\$ 87,307	\$ 177,214	\$89,907	Maintain Recommendation ¹ \$150,000 is being Used in FY14
29	35-10134	Wallingford Escrow	Property Division	Title Transfer Contract	\$ 500,000	\$ 500,000	-	Maintain Recommendation ¹
30	35-10266	Capital Expenditure Reserve	Property Division	Capital Expenditures	\$ 6,811,991	\$ 3,078,653	(\$3,733,338)	Maintain Recommendation ¹
31	35-10233	Enron Litigation Reserve	Property Division	Legal Claims	\$ 466,218	\$ 420,072	(\$48,146)	Maintain Recommendation ¹
32	35-12201	Jets Capital Reserve	Property Division	Capital Expenditures	\$ 1,687,044	\$ 1,678,127	(\$8,917)	Maintain Recommendation ¹
33	35-10280	Bridgeport Post Project	Property Division	Outstanding Liabilities	\$ 363,205	\$ 179,030	(\$184,175)	Maintain Recommendation ¹
34	35-10262	Wallingford Project Closure	Property Division	Outstanding Liabilities	\$ 192,294	\$ 154,736	(\$37,558)	Maintain Recommendation ¹
35	35-10269	Facilities Capital Refurbishment	Property Division	Capital Expenditures	\$ -	\$ -	-	Maintain Recommendation ¹
36	35-10268	Solid Waste Future Development	Property Division	Board Policy	\$ -	\$ -	-	Maintain Recommendation ¹
37	35-10270	Severance Reserve	Property Division	Contract/ Board Policy	\$ -	\$ -	-	Maintain Recommendation ¹
		Sub-Total			\$ 10,110,059	\$ 6,187,832	(\$3,922,227)	

¹Maintain recommendation refers to management's October 24, 2013 Finance Committee recommendations as presented in the Reserve Analysis section. No change from previous report.

Connecticut Resources Recovery Authority Restricted Reserve Analysis

October 31, 2013

Page	Account	Title	Project	Liability/ Restriction	Amount 06/30/12	Amount 06/30/13	Difference	Comment
Governed by SWEROC Agreement (Recycling Division)								
38	61-10229	Stratford Recycling Capital	Recycling Division	Municipal Contracts	\$ 677,567	\$ 189,430	(\$488,137)	Maintain Recommendation ¹
39	61-12207	Commodity Revenue Share	Recycling Division	Municipal Contracts	\$ 9,447	\$ 13,505	\$4,058	Maintain Recommendation ¹
		Sub-Total			\$ 687,014	\$ 202,935	(\$484,079)	
Governed by SCRRA Contract & Bridge Agreement (Southeast Project)								
40	11-13101	Revenue Fund	Southeast	Trustee	\$ 4,179,555	\$ 1,186,916	(\$2,992,639)	Maintain Recommendation ¹
41	11-12301	Montville Post Closure	Southeast	SCRRA Contract	\$ 1,587,815	\$ 1,853,891	\$266,076	Maintain Recommendation ¹
42	11-10221	Risk Fund	Southeast	SCRRA Contract	\$ 251,972	\$ 251,972	-	Maintain Recommendation ¹
		Sub-Total			\$ 6,019,342	\$ 3,292,779	(\$2,726,563)	
Closed Accounts								
	41-13133	Debt Service Reserve Fund	Mid Conn	Restricted Trustee	\$ 1,461,492	\$ -	(\$1,461,492)	Closed
	41-13130	Debt Service Fund	Mid Conn	Restricted Trustee	\$ 2,797,175	\$ -	(\$2,797,175)	Closed
	41-13101	Revenue Fund	Mid Conn	Restricted Trustee	\$ 4,531,698	\$ -	(\$4,531,698)	Closed
	41-13106	Renewal & Replacement Fund	Mid Conn	Restricted Trustee	\$ 1,503,960	\$ -	(\$1,503,960)	Closed
	41-13105	Operating & Maintenance Fund	Mid Conn	Restricted Trustee	\$ 1,503,956	\$ -	(\$1,503,956)	Closed
	41-13104	Select Energy Escrow	Mid Conn	Restricted Trustee	\$ 1,000,000	\$ -	(\$1,000,000)	Closed
	41-10224	Rolling Stock	Mid Conn	Board Designated	\$ 1,216,208	\$ -	(\$1,216,208)	Closed
	41-10263	RESWI	Mid Conn	Board Designated	\$ 500,281	\$ -	(\$500,281)	Closed
	35-10221	Wallingford Risk Fund	Property Division	MSA	\$ 663,107	\$ -	(\$663,107)	Closed
		Sub-Total			\$ 15,177,877	\$ -	(\$15,177,877)	
Total								

Total

\$100,005,379 \$76,513,104 (\$23,492,275)

¹Maintain recommendation refers to management's October 24, 2013 Finance Committee recommendations as presented in the Reserve Analysis section. No change from previous report.

Connecticut Resources Recovery Authority Reserve Analysis

October 31, 2013

Annually management reviews the Authority's restricted reserves. The purpose of this review is to determine if additional funds will be required to be deposited in the upcoming budget process or if certain reserves can be reduced, dissolved and/or funds re-designated.

The following resolutions are Management's recommendations based upon this year's review:

Copies of the individual Reserve summaries are attached for your review.

RESOLUTION REGARDING CERTAIN PROJECT RESERVES

WHEREAS, the activities associated with the Mid-Connecticut Project's Transition Funds reserve have been completed and the remaining funds can be used for other Mid-Connecticut Project liabilities;

NOW, THEREFORE, BE IT:

RESOLVED: That the funds in the Mid-Connecticut Transition Funds be transferred to the Mid-Connecticut Post Project Closure reserve and the Mid-Connecticut Transition Funds reserve be dissolved and the corresponding Treasurer's Short Term Investment Fund ("STIF") account be closed.

Connecticut Resources Recovery Authority Reserves

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Connecticut Resources Recovery Authority

October 31, 2013

Reserve: RISK FUND

Account #: 49-000-000-10221

Designation: Board Designated

Assignment: CSWS

Purpose: To protect the project against catastrophic losses and litigation.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Operating budget.

Fund Amounts as Of June 30, 2013: \$0.00

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their February 28, 2013 meeting.

“...FURTHER RESOLVED: That the Authority establish a CSWS Risk Reserve and contribute \$250,000 in Fiscal Year 2014; and.”

Recommendation:

Continue to monitor, review, and update the status of this reserve to the Finance Committee.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: LEGAL RESERVE

Account #: 49-000-000-10267

Designation: Board Designated

Assignment: CSWS

Purpose: To provide a more consistent funding for CSWS legal expenditures.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Operating budgets.

Fund Amounts as Of June 30, 2013: \$0.00

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their February 28, 2013 meeting.

“...**FURTHER RESOLVED:** That the Authority establish a Legal Reserve and contribute \$500,000 in Fiscal Year 2014; and.”

Recommendation:

Continue to monitor, review, and update the status of this reserve to the Finance Committee.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: SEVERANCE RESERVE

Account #: 49-000-000-10270

Designation: Board Designated

Assignment: CSWS

Purpose: To fund the three-month severance package approved by the Board at its December 20, 2012 meeting.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Operating budget.

Fund Amounts as Of June 30, 2013: \$0.00

Term: When all associated liabilities have been extinguished or until the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their February 28, 2013 meeting.

“...**FURTHER RESOLVED:** That the Authority establish a Severance Reserve and contribute \$430,000 in Fiscal Year 2014; and.”

Recommendation:

Continue to fund consistent with the Fiscal Year 2014 budget. This reserve will eventually be combined with the Severance Reserve established in the Property Division and transferred to the Authority Division. This reserve should be maintained until all liabilities associated with it have been extinguished and the reserve should be review on an annual basis as part of the budgeting process.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: CUSTOMER DEPOSIT

Account #: 49-000-000-12112

Designation: Restricted

Assignment: CSWS

Purpose: To deposit the cash guaranty of payments (“GOP”) received by the Authority by some of its customers.

Fund Basis: Varies by customer based upon their delivery trends.

Fund Source: Authority customers

Fund Amount as of June 30, 2013: \$357,632

Term: Various

Supporting Documentation:

Permitting, Disposal and Billing Procedures all for cash GOP’s.

Recommendation:

On November 16, 2012 these funds were transferred to the Connecticut Solid Waste System and the Authority will continue to maintain this account as long as customers have cash GOP’s.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: TOWN OF ELLINGTON TRANSFER STATION TRUST

Account #: 49-000-000-13211

Designation: Restricted

Assignment: CSWS

Purpose: To be in compliance with the Certificate of Special Permit granted by the Ellington Planning and Zoning Commission.

Fund Basis: Established pursuant to the Certificate of Special Permit.

Fund Source: No supporting documents found.

Approximate Fund Amount as Of June 30, 2013: \$48,000

Term: Upon termination of the permit.

Supporting Documentation:

The following is language from the Certificate of Special Permit.

...Connecticut Resource Recovery Authority shall maintain a minimum balance of \$10,000 in a passbook account to be held by the Town of Ellington. This account shall be drawn upon to offset the expense of solid waste litter pickup in the event that the landfill operator fails to meet acceptable standards..."

Recommendation:

Continue to maintain until permits are not renewed.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: ELLINGTON LANDFILL TRUST

Account #: 51-000-000-13201

Designation: Restricted - DEEP

Assignment: Landfill Division

Purpose: To maintain financial assurance for post-closure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated amount of post-closure costs for monitoring and maintenance. Funds are located in Treasury Bills.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2013: \$491,133

Term: After thirty years of post-closure or until DEP and the Town agree that the post-closure account for the Ellington landfill can be used in replace of this trust.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Management will request the release of these funds from DEEP and transfer these funds in accordance with applicable contractual/regulatory requirements. Continue to perform an annual analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: ELLINGTON LANDFILL POST-CLOSURE

Account #: 51-000-000-10305

Designation: Board Designated

Assignment: Landfill Division

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Funding came from operating budgets.

Fund Amount as Of June 30, 2013: \$3,467,051

Term: Thirty years after the landfill is certified closed. Certified closed in October 1998, post-closure ends fiscal year 2029.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Ellington Landfill Closure/Post-closure Reserve be renamed the Ellington Post-closure Reserve.”

Recommendation:

The Authority has recorded the post-closure liability on its financial statements and includes these funds as part of the post-closure funding resources. Continue to perform an annual analysis of the account on an ongoing basis until liabilities have been extinguished or transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: HARTFORD LANDFILL POST-CLOSURE

Account #: 51-000-000-10304

Designation: Board Designated

Assignment: Landfill Division

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost estimate includes estimated costs for insurance premiums and administrative costs. These estimates do not include any funds for future changes in law.

Fund Source: Initial funding of \$500,000 came from a previous reserve called the Hartford Landfill Closure / Post-closure Reserve. Additional funding is to come from operating budgets.

Fund Amount as Of June 30, 2013: \$11,512,350

Term: Thirty years after the landfill is certified closed. Estimated to be certified closed circa 2013.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Post-closure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Post-closure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve...”

Recommendation:

The Authority has recorded the post-closure liability on its financial statements and includes these funds as part of the post-closure funding resources. Continue to perform an annual analysis of the account on an ongoing basis until liabilities have been extinguished or transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: SHELTON LANDFILL POST-CLOSURE

Account #: 51-000-000-10301

Designation: Board Designated

Assignment: Landfill Division

Purpose: To cover a portion of the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve combined with the DEP Trust-Shelton Landfill fund is adequately funded. Current cost estimate to monitor and maintain the landfill do not include any funds for future changes in law.

Fund Source: Past funding has come from the Bridgeport Project operating budgets.

Fund Amount as Of June 30, 2013: \$5,142,677

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Post-closure ends in fiscal year 2030.

Supporting Documentation:

The Board approved a resolution on June 17, 1999 to transfer \$2,734,000 from prior year surpluses to the post-closure reserve. In addition, the Board through adoption of the annual budget authorized annual contributions into this reserve.

Recommendation:

The Authority has recorded the post-closure liability on its financial statements. Annually review fund necessity and adequacy of financial assurance in conjunction with the Shelton DEP Trust as part of annual analysis on an ongoing basis until liabilities have been extinguished or transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: DEP TRUST-SHELTON LANDFILL

Account #: 51-000-000-13204

Designation: Restricted - DEEP

Assignment: Landfill Division

Purpose: To cover a portion of the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: Staff provides Management with an annual review of all expenses associated with maintaining and monitoring each of its landfills. Management reviews and approves adequately reserve funding and provides funding assurance estimates to the Connecticut Department of Environmental Protection ("CTDEP") for its review and approval. The CTDEP required additional financial assurances for this landfill and the Authority chose to deposit a portion of the post-closure funds into this trust to fill CTDEP requirements.

Fund Source: Shelton Landfill Postclosure Reserve.

Fund Amount as Of June 30, 2013: \$5,683,140

Term: Thirty years after the landfill is certified closed. Ash area certified close April 2001 and MSW area certified closed October 1997. Post-closure ends in fiscal year 2030.

Supporting Documentation:

The Authority reviews and provides representation of financial assurance for each of its landfill's post-closure liabilities to the Connecticut Department of Environmental Protection. Due to certain Permit renewal restrictions, the Authority was required to provide enhanced financial assurance. The Board approved the following resolution at their May 27, 2010 meeting to transfer \$5,671,840 from in the Shelton Landfill Post-Closure STIF Reserve.

"**WHEREAS**, due to change in the Permit for the Shelton Landfill, a new financial assurance mechanism must be in place by June 1, 2010; and...

...**WHEREAS**, the Connecticut Department of Environmental Protection requires that funding equal to the post-closure cost estimated through the end of fiscal year 2020 be placed in a Post-Closure Trust Fund. ...

...**RESOLVED**: That \$5,671,840 funds in the Shelton Landfill Post-Closure STIF Reserve be transferred to U.S. Bank for deposit in a trust fund used to demonstrate financial assurance: ..."

Recommendation:

The Authority has recorded the post-closure liability on its financial statements. Annually review fund necessity and adequacy of financial assurance in conjunction with the Shelton DEP Trust as part of annual analysis on an ongoing basis until liabilities have been extinguished or transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: SHELTON LANDFILL FUTURE USE

Account #: 51-000-000-12206

Designation: Restricted-DEEP

Assignment: Landfill Division

Purpose: To set aside funds to pay for expenditures associated with the two DEP Consent Orders including costs relating to future use options of the landfill.

Fund Basis: Amount based upon a DEP Consent Orders (\$330k) plus a preliminary estimate of the cost to implement the future use options at the landfill (\$530k) as required by the permit.

Fund Source: Past funding has come from Bridgeport Project operating budgets.

Fund Amount as Of June 30, 2013: \$700,690

Term: Upon completion of the work.

Supporting Documentation:

The following is the resolution approved by the Board January 16, 2003 and the January 2003 minutes:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Chairman Pace requested a motion on the reference topic. Director O'Brien made the following motion:

WHEREAS: CRRA desires to create a divisible reserve account within the Bridgeport Project for the Shelton Landfill for future use expenditures of the Shelton Landfill ("Shelton Landfill Future Use Reserve");

WHEREAS: CRRA desires to fund the Shelton Landfill Future Use Reserve with \$630,000 from the Fiscal Year 2003 Operating Budget of the Bridgeport Project;

RESOLVED: That the CRRA Finance Department is authorized to create a Shelton Landfill Future Use Reserve and fund it with \$630,000.00 from the FY03 Operating Budget of the Bridgeport Project.

Recommendation:

Continue to maintain until final ecological risk assessment has been completed circa 2015 or until transferred to the State..

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: WALLINGFORD LANDFILL TRUST

Account #: 51-000-000-13203

Designation: Restricted - DEEP

Assignment: Landfill Division

Purpose: To maintain financial assurance for post-closure care, thirty years of monitoring and maintenance, as required by 40 CFR 265.145 and Section 22a-449 (c) -30 CT HWMR.

Fund Basis: Estimated thirty years of monitoring and maintenance costs.

Fund Source: No supporting documents found.

Fund Amount as Of June 30, 2013: \$153,569

Term: Upon completion of thirty years of post-closure monitoring and maintenance.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Management will request the release of these funds from DEEP and transfer these funds in accordance with applicable contractual/regulatory requirements. Continue to perform an annual analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: WALLINGFORD POST-CLOSURE

Account #: 51-000-000-10306

Designation: Board Designated

Assignment: Landfill Division

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill.

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that this reserve in conjunction with the DEP Trust-Wallingford Landfill fund is adequately funded. Current cost estimate includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past contributions have been through the annual operating budget.

Fund Amount as Of June 30, 2013: \$5,265,477

Term: Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the post-closure ends in fiscal year 2035.

Supporting Documentation:

Below is Section 5.12 of the Amended and Restated Municipal Solid Waste Delivery And Disposal Contract between CRRA and the Town of Wallingford in reference to this Reserve. The entire section of the contract pertaining to this reserve is available in the reserve folder.

The Authority, with the approval of the Policy Board, shall establish a fund intended to meet any and all costs and expenses related to the Facility, the Site and/or the Residue Disposal Site(s), including but not limited to environmental clean-up costs and post-closure monitoring costs, which may result from the use of the Facility, The Site and/or the Residue Disposal Site(s) pursuant to this Agreement but which are not quantified or do not arise until after this Agreement otherwise ends.

In addition, the following language is from Section 6.12 of the Lease Agreement between CRRA and the Town of Wallingford.

The Authority shall provide all post-closure maintenance and monitoring of the Demised Property required by then applicable DEP regulations. The provisions of this Section 6.12 shall survive the term of this lease.

Recommendation:

The Authority has recorded the post-closure liability on its financial statements. Continue to perform an annual analysis of the account on an ongoing basis until liabilities have been extinguished or transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: DEP TRUST WALLINGFORD LANDFILL

Account #: 51-000-000-13205

Designation: Restricted - DEEP

Assignment: Landfill Division

Purpose: To cover a portion of the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: Staff provides Management with an annual review of all expenses associated with maintaining and monitoring each of its landfills. Management reviews and approves adequately reserve funding and provides funding assurance estimates to the Connecticut Department of Environmental Protection (“CTDEP”) for its review and approval. The CTDEP required additional financial assurances for this landfill and the Authority chose to deposit a portion of the post-closure funds into this trust to fill CTDEP requirements.

Fund Source: Wallingford Landfill Postclosure Reserve.

Fund Amount as Of June 30, 2013: \$1,682,145

Term: Thirty years after the landfill is certified closed. The landfill was certified closed in February 2005 and the post-closure ends in fiscal year 2035.

Supporting Documentation:

The Authority reviews and provides representation of financial assurance for each of its landfill’s post-closure liabilities to the Connecticut Department of Environmental Protection. Due to certain Permit renewal restrictions, the Authority was required to provide enhanced financial assurance. The Board approved the following resolution at their May 19, 2011 meeting to transfer \$1,680,400 from the Wallingford Landfill Post-Closure STIF Reserve.

“**WHEREAS**, due to change in the Permit for the Wallingford Landfill, a new financial assurance mechanism must be in place by June 30, 2011; and...

...**WHEREAS**, the Connecticut Department of Environmental Protection (“CTDEP”) requires that funding equal to the post-closure cost estimated through the end of fiscal year 2020 be placed in a Post-Closure Trust Fund. ...

...**RESOLVED**: That \$1,680,400 funds in the Wallingford Landfill Postclosure STIF Reserve, as approved by the CTDEP, be transferred to U.S. Bank for deposit in a trust fund used to demonstrate financial assurance: ...”

Recommendation:

Annually review fund necessity and adequacy of financial assurance in conjunction with the Wallingford Landfill Post-closure Reserve on an ongoing basis or until transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: WATERBURY POST-CLOSURE

Account #: 51-000-000-10307

Designation: Board Designated

Assignment: Landfill Division

Purpose: To cover the costs associated with the monitoring and maintenance of the landfill for thirty years after the certified closure of the landfill

Fund Basis: The basis is reviewed annually by internal staff and on occasion by an outside consultant to verify that the reserve is adequately funded. Current cost includes estimated costs for environmental insurance premiums. These estimates do not include any funds for future changes in law.

Fund Source: Past funding has come from the Bridgeport Project operating budgets.

Fund Amount as of June 30, 2013: \$1,161,281

Term: Thirty years after the landfill is certified closed. Circa 2038.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

...“ **RESOLVED:** That a reserve be established to cover post-closure costs for the Waterbury Landfill for the Bridgeport Project.”

Recommendation:

The Authority has recorded the post-closure liability on its financial statements. Continue to perform an annual analysis of the account on an ongoing basis until liabilities have been extinguished or transferred to the State.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: WATERBURY LANDFILL TRUST

Account #: 51-000-000-13202

Designation: Restricted - DEEP

Assignment: Landfill Division

Purpose: To provide a performance bond or surety to guarantee closure of the landfill as required by the solid waste permit.

Fund Basis: Estimated cost for post-closure activities.

Fund Source: No supporting records found.

Fund Amount as Of June 30, 2013: \$174,607

Term: Upon closure of the landfill or approval from DEEP that another funding source could be utilized. The Authority is currently reviewing the post-closure plan with the DEEP to determine if a separate DEEP post-closure fund will be required or if these funds can be transferred into the current post-closure reserve and this account be closed.

Supporting Documentation:

The following is language from the regulations.

“...an owner or operator of a facility with a hazardous waste disposal unit must establish financial assurance for post-closure care of the disposal unit...”

Recommendation:

Management will request the release of these funds from DEEP and transfer these funds in accordance with applicable contractual/regulatory requirements. Continue to perform an annual analysis of the account on an ongoing basis.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: RECYCLING EDUCATION (City of Hartford)

Account #: 41-000-000-12203

Designation: Restricted

Assignment: Mid-Connecticut

Purpose: To reimburse the City of Hartford for expenses incurred solely for its recycling education program.

Fund Basis: Per the host community agreement the Authority shall contribute \$50,000 annually in addition to the \$100,000 annually per the PILOT agreement.

Fund Source: Past funding has come from the operating budget.

Fund Amount as Of June 30, 2013: \$143,403

Term: The requirement to fund this reserve terminated in Fiscal Year 2013 as amended February 1, 2007 under the agreement with the City of Hartford to close, maintain, and monitor the Hartford Landfill.

Supporting Documentation:

The following language is from the Agreement for Payments In Lieu Of Taxes and the Host Community Agreement between CRRA and the City of Hartford, respectively.

Commencing July 1, 1990 and for each year that the Authority owns and operates the Recycling Center the Authority hereby agrees to maintain an account and provide funding for the same in an amount not to exceed One Hundred Thousand (\$100,000.00) Dollars per year, which funds may be used by the City solely for the benefit of its recycling education program. Any funds remaining in the account at the end of each fiscal year shall be rolled over and added to the One Hundred Thousand (\$100,000.00) Dollars that the Authority is required to provide for the next succeeding year.

February 1, 2007

“CRRA will make a recycling payment of \$150,000 per year (\$50,000 of which is in addition to the current annual payment into such fund of \$100,000) into the Recycling Account...”

Recommendation:

That this account be used to reimburse the City of Hartford for recycling initiatives until the account is depleted and then be closed upon final funds dispersion.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: HARTFORD LANDFILL CLOSURE

Account #: 41-000-000-10303

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To cover the anticipated expenditures associated with the closure of the Bulky Waste and Ash Residue areas of the Hartford Landfill.

Fund Basis: The basis is reviewed annually by internal staff. Per the existing agreement with the City of Hartford the Authority is responsible to pay all closure costs.

Fund Source: Initial funding came from a prior Hartford Landfill Closure/Postclosure Reserve. Additional funding came from the operating budget any additional funding, if needed, is to come from future operating budgets.

Fund Amount as Of June 30, 2013: \$12,601,926

Term: Upon certified closure of the landfill.

Supporting Documentation:

The Board approved the following resolution at their October 2003 meeting.

“...**FURTHER RESOLVED:** That the Hartford Landfill Closure/Postclosure Reserve be split into two separate reserves (balance as of August 31, 2003 was \$7,109,905.17) and that \$500,000 of these funds be designated for the Hartford Postclosure Reserve and the remaining fund balance be designated for the Hartford Landfill Closure Reserve....”

Recommendation:

The Authority has recorded the closure liability on its financial statements. Final closure of the landfill is anticipated to be completed in Fiscal Year 2014 once a final solar cap is installed. Continuously review this account including adequate funding requirements during final closure activities. Once closure activities are complete a resolution will be needed to transfer residual funds (if any).

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: RISK FUND

Account #: 41-000-000-10221

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To protect the project against catastrophic losses and litigation.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Past funding has come from operating budgets.

Fund Amounts as Of June 30, 2013: \$11,325,174

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the Policy Establishing the Risk Financing Plan, which included the Risk Fund on September 18, 1990. On December 19, 1996 the Board approved a modification to the CRRA Risk Fund Policy. The resolutions and minutes are extensive.

Recommendation:

Continue to monitor, review, and update the status of this reserve to the Finance Committee.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: SOUTH MEADOWS SITE REMEDIATION

Account #: 41-000-000-10228

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To pay for change orders not covered in the original scope of services for the South Meadows site remediation project.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: The initial funding of an estimated \$245,000 for this reserve came from a credit received from the contractor due to a reduction in the original scope of work.

Fund Amount as of June 30, 2013: \$24,259

Term: Upon completion of the work or when the Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their April 2005 meeting.

“**RESOLVED:** That a reserve be established to cover costs not included in the original scope of the South Meadows property remediation project for the Jets/Energy Generating Facility.”

Recommendation:

Fund to be used until remediation is complete circa 2014.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: LANDFILL DEVELOPMENT FUND

Account #: 41-000-000-10308

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To cover ash landfill development expenditures.

Fund Basis: Based upon preliminary estimate for development costs.

Fund Source: Initial funding came from \$1.4 million of the fiscal year 2005 project surplus. Additional funding came from the FY07 operating budget and from the dilution and fund transfer of the Ash Disposal Fund in the amount of \$2,150,002 as approved at the October 23, 2009 Board of Directors meeting.

Fund Amount as Of June 30, 2013: \$296,274

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

“...**FURTHER RESOLVED:** that a Landfill Development Fund be created for the Mid-Connecticut Project to pay for ash landfill development costs and that \$1,400,000 from the fiscal year 2005 project surplus be transferred into the reserve.”

Recommendation:

The remaining funds are being used for residual clean-up work and payments associated with the Phase environmental assessments at the Franklin development site.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: MID-CONN LITIGATION RESERVE

Account #: 41-000-000-10264

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To cover costs associated with ongoing Mid-Connecticut Project legal matters.

Fund Basis: Based upon estimated expenses associated with known potential legal actions that have or might be brought against the Mid-Connecticut Project.

Fund Source: Funding will come from the operating budget (\$3,150,000) and from the Hartford Landfill Closure Reserve (\$694,000).

Fund Amount as Of June 30, 2013: \$3,309,883

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their February 24, 2011 meeting.

“...**FURTHER RESOLVED:** that a Litigation Reserve in the amount of \$1,950,000 be established in a STIF account, and \$694,000 be transferred from the Hartford Landfill Closure Reserve to the Litigation Reserve; ...”

Recommendation:

Perform an annual review and update the status of this reserve to the Finance Committee.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: MID-CONN PROJECT CLOSURE

Account #: 41-000-000-10260

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, and administrative expense associated with ongoing project closure meeting.

Fund Basis: The basis is the conservative estimate of the Authority's total expense to close the Mid-Connecticut Project.

Fund Source: Funding will come from the Fiscal Years 2012 and 2013 operating budgets.

Fund Amount as Of June 30, 2013: \$1,521,941

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their February 24, 2011 meeting.

“...**FURTHER RESOLVED:** that in accordance with other Authority project expirations, a Post Project Closure Reserve in the amount of \$750,000 be established in a STIF account for project-related expenses that may occur after the Project has ended; ...”

Recommendation:

Perform periodic reviews and update the status of this reserve to the Finance Committee.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: MID-CONNECTICUT TRANSITION FUNDS

Account #: 41-000-000-10265

Designation: Board Designated

Assignment: Mid-Connecticut

Purpose: To cover the cost associated with transitioning from the original operator contracts to the new operator contract. Costs include both the cost of related activities and the cost of needed assets.

Fund Basis: Based upon estimates for funds needed to complete the necessary tasks related to the transition between the current waste-to-energy facility operators to the new operator (NAES).

Fund Source: Funding will come from the Fiscal Year 2012 operating budget.

Fund Amount as Of June 30, 2013: \$1,766,946

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their February 24, 2011 meeting.

“...**FURTHER RESOLVED:** that a Transition Fund in the amount of \$3,367,000 be established in a STIF account to support the expense associated with the transition from the two current operators to one operator; ...”

Recommendation:

All activities associated with the transition have been completed. Transfer the residual funds to the Mid-Connecticut Post Project Closure Reserve to be used to off-set any residual Mid-Connecticut Project liabilities.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: TRASH MUSEUM

Account #: 35-000-000-10115

Designation: Board Designated

Assignment: Property Division

Purpose: To cover the cost associated with recycling education related activities.

Fund Basis: None.

Fund Source: Funding comes from admission and gift shop revenues at the Trash Museum.

Fund Amount as Of June 30, 2013: \$177,214

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved this reserve prior to August 2010 to fund education activities.

Recommendation:

\$150,000 of these funds were used as part of the Fiscal Year 2014 Property Division budget to offset Trash Museum related expenses. The remaining funds will be considered as part of the Fiscal Year 2015 budget development process.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: WALLINGFORD ESCROW

Account #: 35-000-000-13104

Designation: Restricted

Assignment: Property Division

Purpose: To cover potential costs associated with the remediation of the real property that consists of the site where the Resource Recovery Facility is located.

Fund Basis: The basis is the established of an Escrow Account pursuant to the Release and Settlement Agreement date June 23, 2010 between CRRA and Covanta Projects of Wallingford, LP, which is associated with the applicability of the Connecticut Transfer Act to the conveyance of the Wallingford Resources Recovery Facility from CRRA to Covanta Projects of Wallingford, LP

Fund Source: The Wallingford Project Risk Fund.

Fund Amount as of June 30, 2013: \$500,000

Term: The reserve will be maintained until one of the following events occurs: all funds in this reserve are depleted, the Connecticut Department of Environmental Protection determines that the requirements of the Connecticut Transfer Act have been completed or until 5 years have passed from the date Covanta (the Operator) has submitted all required documentation to DEP stating that final remediation of the land that comprises the Resource Recovery Facility site has been completed.

Supporting Documentation:

The Board adopted the following language at their June 24, 2010 meetings.

“RESOLVED: That \$500,000 of funds in the Wallingford Risk Fund be transferred to U.S. Bank for deposit in an Escrow Account, which Escrow Account will be established pursuant to the Release and Settlement Agreement date June 23, 2010 between CRRA and Covanta Projects of Wallingford, LP, and which is associated with the applicability of the Connecticut Transfer Act to the conveyance of the Wallingford Resources Recovery Facility from CRRA to Covanta Projects of Wallingford, LP. In accordance with the Release and Settlement Agreement, the Escrow Account will be maintained until the Connecticut Department of Environmental Protection determines that the requirements of the Connecticut Transfer Act, as they relate to the conveyance of the Wallingford Resources Recovery Facility, have been satisfied, which period is estimated to be approximately five years.

Recommendation:

Continue to perform an annual review and update and monitor the status of this reserve at the October Board of Director’s meetings. Any remaining funds will be distributed back to the Project’s municipalities.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: CAPITAL EXPENDITURE RESERVE

Account #: 35-000-000-10266

Designation: Board Designated

Assignment: Property Division

Purpose: To cover capital expenditures associated with the South Meadows system facilities.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Comes from the CSWS operating budget.

Fund Amount as Of June 30, 2013: \$3,078,653

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board approved the following resolution at their August 21, 2013 meeting.

“...FURTHER RESOLVED: That the Capital Expenditure Reserve be reassigned to the Property Division and that the Fiscal Year 2013 contributions be made as a transfer from CSWS to the Property Division; and

FURTHER RESOLVED: That the Fiscal Year 2013 operating capital depreciation expenses for the CSWS be recorded in the Property Division and reimbursed by the CSWS; and

FURTHER RESOLVED: That the Fiscal Year 2014 contributions to the Capital Expenditure Reserve be made as a transfer from the CSWS to the Property Division; and

FURTHER RESOLVED: That any Fiscal Year 2014 operating capital depreciation expenses be funded through the Capital Expenditure Reserve and that the CSWS would contribute additional funds in the amount of those expenses to replenish the Reserve.”

Recommendation:

Continue to review this reserve as part of the budgeting process.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: ENRON LITIGATION RESERVE

Account #: 35-000-000-10233

Designation: Board Designated

Assignment: Property Division

Purpose: To provide costs of paying expert witnesses and other legal fees relating to the Enron-related lawsuits.

Fund Basis: None.

Fund Source: Enron-related litigation settlements net of amounts to be determined by court order.

Fund Amount as of June 30, 2013: \$420,072

Term: Upon resolution of pending litigation.

Supporting Documentation:

Board resolution adopted October 25, 2007.

“...**WHEREAS**, the Authority has recovered funds from the global litigation matters, which can be reserved to provide for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the New Hartford judgment and for associated legal expenses for which other funds may not be available; and”

“...**FURTHER RESOLVED:** That there is hereby created a Post Litigation Reserve, which is to be funded from the global bank settlements and such funds shall be conserved for the circumstance that the Authority shall be required by a final, non-appealable order of a court of competent jurisdiction to pay additional amounts as interest on the Escrowed Funds and for up to \$800,000 of associated legal expenses for which other funds may not be available; and”

Board resolution adopted August 21, 2013.

“**RESOLVED:** That this Resolution regarding Reassignment Of Certain CRRA Assets And Liabilities supersedes in its entirety the Resolution of this Board of the same name dated October 25, 2012; and

FURTHER RESOLVED: That, as of November 16, 2012, the net assets listed on Attachment A hereto, will be included in the Landfill Division; and

FURTHER RESOLVED: That, as of November 16, 2012, those Project Net Assets not part of the Landfill Division will be included in the Property Division; and”

Recommendation:

Current review indicates continued open litigation based on General Counsel recommendation, Management recommends continuing to maintain sufficient funds. This reserve will be reviewed annually with the Finance Committee.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: JETS CAPITAL RESERVE

Account #: 35-000-000-12201

Designation: Restricted

Assignment: Property Division

Purpose: To cover Jets capital costs.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Property Division Operating account.

Fund Amount as Of June 30, 2013: \$1,678,127

Term: When Board dissolves the reserve.

Supporting Documentation:

Board resolution adopted August 21, 2013.

“RESOLVED: That this Resolution regarding Reassignment Of Certain CRRRA Assets And Liabilities supersedes in its entirety the Resolution of this Board of the same name dated October 25, 2012; and

FURTHER RESOLVED: That, as of November 16, 2012, the net assets listed on Attachment A hereto, will be included in the Landfill Division; and

FURTHER RESOLVED: That, as of November 16, 2012, those Project Net Assets not part of the Landfill Division will be included in the Property Division; and”

Board resolution adopted April 29, 2013.

“FURTHER RESOLVED: That \$200,000 be contributed to the Board designated Jets Capital Reserve in Fiscal Year 2014; and”

Recommendation:

That these funds continue to be used as part for Jets Facility related capital expense.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: BRIDGEPORT POST PROJECT

Account #: 35-000-000-10260

Designation: Board Designated

Assignment: Property Division

Purpose: To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, and administrative expense associated with ongoing project closure meeting.

Fund Basis: The basis was determined as a conservative estimate of the Authority's total expense to close the Bridgeport Project.

Fund Source: Contributions from the Bridgeport Project's operating fund FY 09 surplus.

Fund Amount as of June 30, 2013: \$179,030

Term: The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

Supporting Documentation:

The Board adopted the following language at their March 26, 2009

"Now, Therefore it is **RESOLVED**, a Post Project Reserve be established to retain necessary funds to meet residual Bridgeport Project Expenses..."

The Board adopted the following language at their July 23, 2009

"...**Resolved:** That \$725,000 be transferred from the Bridgeport project subaccount STIF account to the following STIF accounts:
\$625,000 to the Bridgeport Post Project Reserve STIF account
\$100,000 to the Bridgeport Risk Reserve STIF account"

Recommendation:

Maintain and review on a semi-annual basis until all liabilities associated with the Bridgeport Project have been closed.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: WALLINGFORD PROJECT CLOSURE

Account #: 35-000-000-10262

Designation: Board Designated

Assignment: Property Division

Purpose: To cover costs associated with the expiration of the project including but not limited to; cost of accounts payable and accounts receivable, accounting functions associated with project closure, wrap up and distribution meetings, and ongoing project closure meeting.

Fund Basis: The basis was determined as a conservative estimate of the Authority's total expense to close this Project.

Fund Source: Contributions are from the Future Use Reserve.

Fund Amount as of June 30, 2013: \$154,736

Term: The reserve will be maintained until all liabilities for this Project have been remunerated. Any residual funds will be return to the Project.

Supporting Documentation:

The Board and the Wallingford Policy Board adopted the following language at their respective January 2009 meetings.

"FURTHER RESOLVED: That the Board approve the establishment of a Project Closure Reserve to cover costs associated with project closure: and

"FURTHER RESOLVED: That the Board approve the transfer of \$820k from the Future Use Reserve to the newly established Project Closure Reserve. Any residual funds will be distributed back to the project.

Recommendation:

Maintain until all liabilities associated with the Wallingford Project have been closed. Review account on a periodical basis.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: FACILITIES CAPITAL REFURBISHMENT

Account #: 35-000-000-10269

Designation: Board Designated

Assignment: Property Division

Purpose: To cover capital expenditures associated with the Property Division's facilities.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Property Division Operating Account.

Fund Amount as of June 30, 2013: \$0.00

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board adopted the following language at their respective April 29, 2013 meetings.

“FURTHER RESOLVED: That the Authority establish the Board designated Facilities Capital Refurbishment Reserve and contribute \$300,000 in Fiscal Year 2014”

Recommendation:

Continue to review this reserve as part of the budgeting process.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: SOLID WASTE FUTURE DEVELOPMENT

Account #: 35-000-000-10268

Designation: Board Designated

Assignment: Property Division

Purpose: To provide the funds to support the State of Connecticut's Solid Waste Management Plan initiatives.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Property Division Operating Account.

Fund Amount as of June 30, 2013: \$0.00

Term: When Board dissolves the reserve.

Supporting Documentation:

The Board adopted the following language at their respective April 29, 2013 meetings.

“FURTHER RESOLVED: That the Authority establish the Board designated Solid Waste Future Development Reserve and contribute \$688,000 in Fiscal Year 2014.”

The Board adopted the following language at their respective August 21, 2013 meetings.

“RESOLVED: That the Solid Waste Future Development Reserve be used to fund Authority expense for activities to the Section 9 Transition Plan Act 13-285 in an amount not to exceed \$400,000.”

Recommendation:

Use the funds in Fiscal Year 2014 to complete the Section 9 Transition Plan and retain any unused funds in this reserve for future development activities. Review account on an annual basis as part of the budget process.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: SEVERANCE RESERVE

Account #: 35-000-000-10270

Designation: Board Designated

Assignment: Property Division

Purpose: To fund the three-month severance package approved by the Board at its December 20, 2012 meeting.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: Property Division Operating Account.

Fund Amount as of June 30, 2013: \$0.00

Term: When all associated liabilities have been extinguished or until the Board dissolves the reserve.

Supporting Documentation:

The Board adopted the following language at their respective April 29, 2013 meetings.

“FURTHER RESOLVED: That \$430,000 be contributed to the Board designated Severance Reserve in Fiscal Year 2014; and”

Recommendation:

Continue to fund consistent with the Fiscal Year 2014 budget. This reserve will eventually be combined with the Severance Reserve established in the CSWS Division and transferred to the Authority Division. This reserve should be maintained until all liabilities associated with it have been extinguished and the reserve should be review on an annual basis as part of the budgeting process.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: STRATFORD RECYCLING CAPITAL RESERVE

Account #: 61-000-000-10229

Designation: Board Designated

Assignment: Recycling Division

Purpose: To cover potential futures costs associated with the replacement or repair of capital equipment and/or buildings for the Stratford intermediate processing center now being used as a transfer station.

Fund Basis: The basis will be determined annually during the budget process.

Fund Source: This reserve was funded from the settlements reached with the Town of East Haven (net lump sum payment of \$14,634) and City of Stamford (net payment of \$122,000 paid equally over a thirty-six month period) and the City of Greenwich \$400,000 relating to their non-delivery of recyclables. Initial funding commenced in fiscal year 2006.

Fund Amount as of June 30, 2013: \$189,430

Term: This reserve will be maintained until dissolved by the Board.

Supporting Documentation:

The Board approved the following resolution at their October 2005 meeting.

“**FURTHER RESOLVED:** that a Recycling Reserve be created for the Bridgeport Project to cover capital repairs and/or replacements costs for the Stratford intermediate processing center and that the initial funding of this reserve come from the settlement funds to be received from the Town of East Haven and City of Stamford.”

Recommendation:

Maintain this Reserve until the Recycling Division activities have been resolved.

Connecticut Resources Recovery Authority

October 31, 2013

Reserve: COMMODITY REVENUE SHARE

Account #: 61-000-000-12207

Designation: Board Designated

Assignment: Recycling Division

Purpose: To cover potential futures costs associated with the Agreement between CRRA and SWEROC.

Fund Basis: None.

Fund Source: This reserve was funded from the sale of commodity revenues above a certain price threshold.

Fund Amount as of June 30, 2013: \$13,505

Term: The reserve will be maintained until all Agreement between CRRA and SWEROC ends the funds are not needed for SWEROC liabilities.

Supporting Documentation:

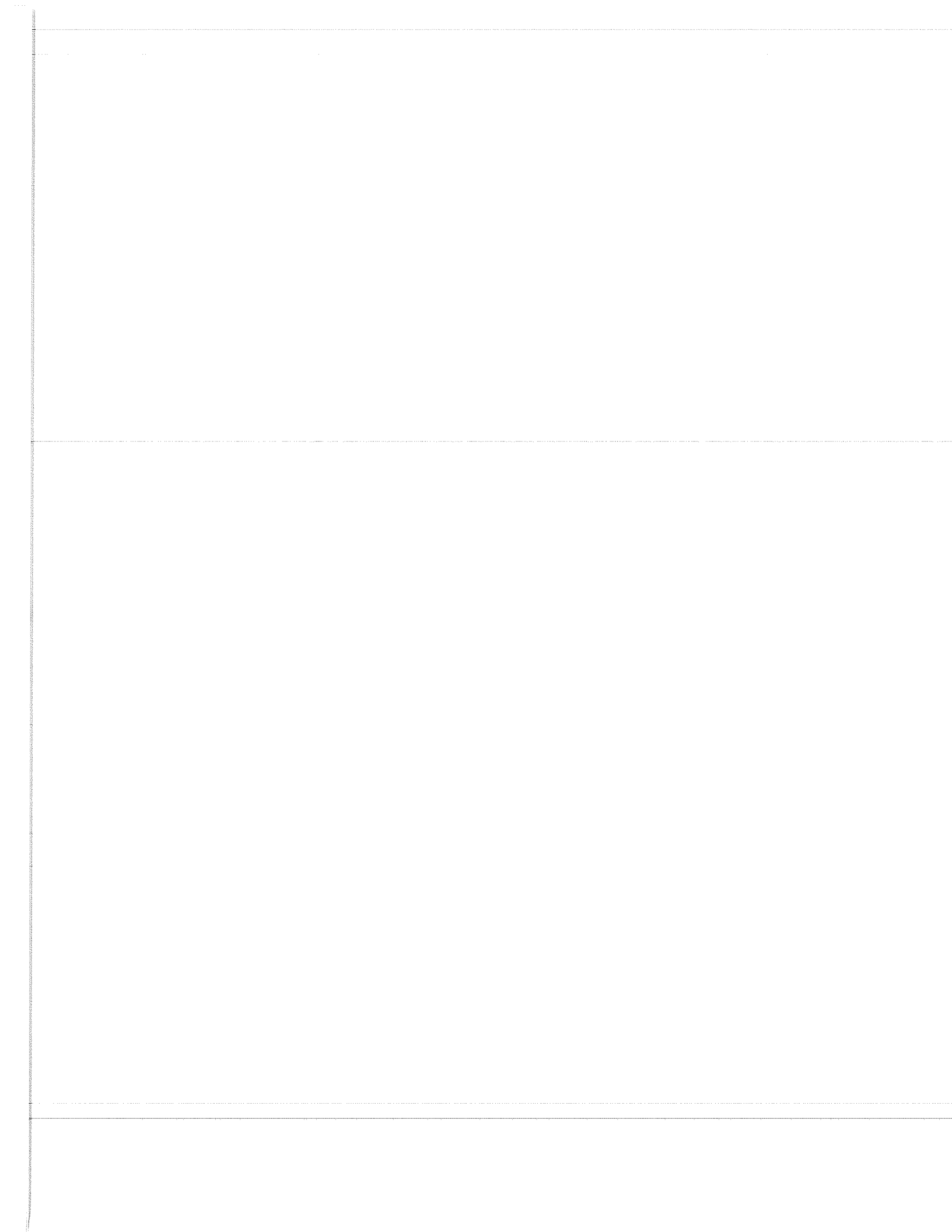
The Board approved the following ratification of an agreement between SWEROC and the Authority at their May 2011 meeting.

“RESOLVED: That the Board of Directors hereby authorizes the President to enter into an agreement with the Southwest Connecticut Regional Recycling Operating Committee (SWEROC).”

This Agreement contains a provision which requires the establishment and funding of this reserve through revenue share above a certain market price level.

Recommendation:

Maintain this Reserve until the Recycling Division activities have been resolved.



TAB 5

REVISIONS TO RESOLUTIONS REGARDING THE APPROVAL OF THE FISCAL YEAR 2014 OPERATING BUDGETS AND RESERVES

WHEREAS, The State of Connecticut (the "State") passed Section 7 of Public Act 13-285 which states that the Connecticut Resources Recovery Authority (the "Authority") shall pay the total cost of various audits, provided such payments shall not exceed \$500,000; and

WHEREAS, This Board of Directors (the "Board") adopted the Fiscal Year 2014 Budgets which did not anticipate that the State would require the Authority to pay up to \$500,000 in additional audit(s) expenses; and

WHEREAS, The Department of Energy and Environmental Protection ("DEEP") awarded a contract in the amount of \$460,000 to perform these additional audit(s); and

WHEREAS, The Board now considers it prudent to revise the Connecticut Solid Waste System ("CSWS") Operating Budget, the Southeast Project Operating Budget, Property Division Operating Budget, and Landfill Division Operating Budget and to revise the funds retained in the Mid-Connecticut Post-Project Closure Reserve, the Bridgeport Post-Project Reserve, and the Wallingford Project Closure Reserve to incorporate these additional audit(s) expenses; and

WHEREAS, The funding from each operating account and reserve will be based on the five year historical pro-rata average contribution to the Authority Budget for the most recent audited five year period (Fiscal Year 2009 through Fiscal Year 2013);

NOW THEREFORE, it is

RESOLVED: That the approved Fiscal Year 2014 CSWS, Southeast Project, Property Division, and Landfill Division Operating budgets be revised in the form presented and discussed at this meeting; and

FURTHER RESOLVED: That the Mid-Connecticut Post-Project Closure Reserve, the Bridgeport Post-Project Reserve, and the Wallingford Project Closure Reserve expenses be revised; and

FURTHER RESOLVED: That for the purpose of paying the State mandated expenses the current contracted amount of \$460,000 be allocated to the following operating budgets and reserves in the respective percentages and amounts; and

Description	Avg. 5 year % Allocation	Rounded (ooo)
Mid-Connecticut Post Project Closure Reserve	76.58%	\$ 352,000
CSWS Division Operating Account	6.69%	\$ 31,000
Wallingford Project Closure Reserve	5.82%	\$ 27,000
Property Division Operating Account	3.33%	\$ 15,000
Bridgeport Post Project Reserve	3.32%	\$ 15,000
Southeast Project Operating Account	2.35%	\$ 11,000
Landfill Division Operating Reserves	1.91%	\$ 9,000
Total	100.00%	\$ 460,000

FURTHER RESOLVED: That any additional authorized expense related to such DEEP additional audits be allocated to the above stated operating budgets and reserves in such respective percentages subject to the statutory not to exceed amount of \$500,000.